SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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FORM 10-Q

X Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 1992 or 92-22603

____ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 0-19096 C-K 741

LESLIE'S POOLMART
(Exact name of registrant as specified in its charter)

California	91-0976447
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20222 Plummer St. Chatsworth, California	91311
(Address of principal executive offices)	(Zip Code)

(818) 993-4212
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes ____ No ____

Applicable only to corporate issuers:

As of May 1, 1992, the number of outstanding shares of the Registrant's common stock was 5,530,374 shares.

This Report on Form 10-Q contains 13 pages.
This Report on Form 10-Q contains no exhibits or index to exhibits.

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PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

LESLIE'S POOLMART

BALANCE SHEET
(IN THOUSANDS)

	MARCH 31, 1992 (UNAUDITED)	DECEMBER 31, 1991
ASSETS		
CASH	$ 65	$ 32
RECEIVABLES, NET	434	351
INVENTORIES	25,280	14,815
PREPAID EXPENSES	1,113	1,125
DEFERRED INCOME TAX CHARGE	1,855	---
TOTAL CURRENT ASSETS	28,747	16,323
PROPERTY, PLANT AND EQUIPMENT, NET	15,925	13,684
GOODWILL, NET	3,272	2,605
OTHER ASSETS	555	428
	$ 48,499	$ 33,040
LIABILITIES AND SHAREHOLDERS' EQUITY		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 20,699	$ 6,497
LINE-OF-CREDIT BORROWINGS	6,716	3,300
CURRENT PORTION OF LONG-TERM DEBT	215	65
CURRENT PORTION OF COVENANT LIABILITY	173	173
INCOME TAXES	129	135
TOTAL CURRENT LIABILITIES	27,932	10,170
DEPOSITS ON CONTAINERS	236	272
DEFERRED INCOME TAXES	2,810	2,810
LONG-TERM DEBT, NET OF CURRENT PORTION	795	378
COVENANT LIABILITY, NET OF CURRENT PORTION	1,132	1,043
7¼% CONVERTIBLE NOTES	2,767	2,767
SHAREHOLDERS' EQUITY		
COMMON STOCK	21,216	21,207
ACCUMULATED DEFICIT	(8,389)	(5,607)
TOTAL SHAREHOLDERS' EQUITY	12,827	15,600
	$ 48,499	$ 33,040

SEE ACCOMPANYING COMMENTS NOTES TO FINANCIAL

LESLIE'S POOLMART

STATEMENTS OF INCOME
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARES AND PER SHARE DATA)

	Three Months Ended March 31,	
	1992	1991
SALES	$10,443	$10,296
COST OF SALES	6,935	6,913
GROSS PROFIT	3,508	3,383
SELLING, GENERAL &ADMINISTRATIVE EXPENSES	7,781	6,622
AMORTIZATION OF ACQUISITION COSTS	152	362
LOSS FROM OPERATIONS	(4,425)	(3,601)
OTHER EXPENSE		
INTEREST EXPENSE	212	765
AMORTIZATION OF DEFERRED LOAN FEES	---	102
LOSS BEFORE INCOME TAXES	(4,637)	(4,468)
INCOME TAX BENEFIT	1,855	1,742
NET LOSS	$(2,782)	$(2,726)
NET LOSS PER SHARE OF COMMON STOCK	$ (.48)	$ (.72)
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING AND COMMON STOCK EQUIVALENTS	5,770,134	3,763,960

SEE ACCOMPANYING CONDENSED NOTES TO FINANCIAL STATEMENTS.

LESLIE'S POOLMART

STATEMENTS OF CASH FLOW
(UNAUDITED)
(IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31,	
	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES		
NET LOSS	$ (2,782)	$ (2,726)
ADJUSTMENTS TO DERIVE CASH FLOW FROM OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	522	694
NET INCREASE IN RECEIVABLES, INVENTORY AND PAYABLES	3,618	2,450
OTHER, NET	(151)	85
DEFERRED INCOME TAX CHARGE	(1,855)	(1,743)
NET CASH USED IN OPERATING ACTIVITIES	(618)	(1,240)
CASH FLOWS FROM INVESTING ACTIVITIES		
BUSINESS ACQUISITION	(140)	---
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(2,647)	(898)
NET CASH USED IN INVESTING ACTIVITIES	(2,787)	(898)
CASH FLOWS FROM FINANCING ACTIVITIES		
NET LINE-OF-CREDIT BORROWINGS	3,416	2,562
PAYMENTS OF LONG-TERM DEBT	(23)	(396)
DEFERRED OFFERING COSTS	---	(26)
ISSUANCE OF COMMON STOCK	9	--
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,402	2,140
NET INCREASE IN CASH	33	2
CASH AT BEGINNING OF PERIOD	32	42
CASH AT END OF PERIOD	$ 65	$ 44

SEE ACCOMPANYING CONDENSED NOTES TO FINANCIAL STATEMENTS

LESLIE'S POOLMART

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1992

(1) Presentation of Financial Information

The financial statements included herein have been prepared by Leslie's Poolmart ("Registrant" or the "Company"), without audit, and include all adjustments of a normal recurring nature which are, in the opinion of management, necessary for a fair presentation of the results of operations for the three-month period ended March 31, 1992 and 1991 pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes the disclosures in these financial statements are adequate to make the information presented not misleading.

The following material under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" is written with the presumption that the users of the interim financial statements have read or have access to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 26, 1992. This document contains the latest audited financial statements and notes thereto, together with Management's Discussion and Analysis of Financial Condition and Results of Operations as of December 31, 1991 and for the year then ended. The results of operations for the three months ended March 31, 1992 and 1991 are not necessarily indicative of the results for a full year.

(2) Organization and Operations

Leslie's Poolmart is a specialty retailer of swimming pool supplies and related products. The Company markets its products under the trade names *Leslie's Swimming Pool Supplies* and *Pool Club - USA* through 130 retail stores in 26 states as of May 2, 1992 and through mail order catalogs sent to selected swimming pool owners. The Company also manufactures certain plastic products and repackages certain bulk chemical products for retail sale. The Company's business is highly seasonal as the majority of its sales (76% in 1991 and 1990) and all of its operating profits are generated in the second and third quarters.

In September 1988, LP Acquisition Corporation ("LPAC") entered into an agreement to acquire the business of Leslie's Poolmart (the "Predecessor Corporation") in a transaction accounted for as a purchase for financial reporting purposes (the "Acquisition"). Following the purchase by LPAC of all the outstanding shares of stock of the Predecessor Corporation, the Predecessor Corporation merged with LPAC, with LPAC surviving as the reporting entity. LPAC then changed its name to Leslie's Poolmart.

In addition, the former owners entered into consulting and/or noncompetition agreements with LPAC which amounts are being accrued and expended ratably over the five-year period covered by the agreements. (See Results of Operations)

The operating results of the Company subsequent to the acquisition take into account the revised asset values as well as other costs and arrangements associated with the transaction.

(3) Initial Public Offering

On April 26, 1991, the Company closed its initial public offering of 2,525,000 shares of its common stock at a price to the public of $11.00 per share. Of the 2,525,000 shares offered, 2,000,000 shares were sold by the Company and 525,000 shares (or options to purchase shares, subsequently exercised by the underwriters) were sold by the Company's selling shareholders.

The total net proceeds received by the Company were approximately $19.4 million.

The Company applied all of its net proceeds from its sale of common stock to retire the principal amount due under its senior bank debt and to pay down its working capital loan.

(4) Inventories

Inventories are stated at cost, which is not in excess of market. Cost is determined on the last-in, first-out (LIFO) basis.

Inventories consist of the following:

	March 31	
	1992	1991
Raw materials and supplies	$ 1,734	$ 1,216
Finished goods	23,546	18,235
Total Inventories	$ 25,280	$ 19,451

(5) Goodwill

The excess of the Acquisition price over the fair value of the net assets at the date of Acquisition is included in the accompanying balance sheets as "Goodwill." Goodwill is being amortized (straight-line) over a forty-year period.

(6) Income Taxes

The Company provides for deferred income taxes relating to timing differences in the recognition of income and expense items (primarily depreciation and amortization) for financial and tax reporting purposes.

As a result of the Acquisition described in Note 2, differences between the tax basis and the financial reporting basis of various assets were created; taxes related to these differences were provided in accordance with Financial Accounting Standards Board (FASB) Statement No. 96. The tax benefits reflected in the March 1992 and 1991 results of operations and the deferred tax charges reflected in the corresponding balance sheets result from the recording of tax benefits related to interim losses which are expected to reverse in the second and third quarters. This deferred tax charge is not an asset that will be realized as a refund; it will be offset by a tax provision in the second and third quarters.

(7) Deposits on Containers

Deposits on containers represent refundable amounts received from customers for reusable containers. Deposits on containers which are expected to be refunded within one year are included in accrued liabilities in the accompanying balance sheets.

(8) Cost of Sales

Included in cost of sales are the costs of services and purchased goods, direct manufacturing and chemical repackaging costs, and store occupancy costs.

(9) Contingencies

The Company is self-insured with respect to its general liability insurance program up to $100,000 and its employee group medical program up to $35,000 per insured per year, after which the benefits are covered by insurance. Provisions for group medical claims under the self-insurance program are accrued by the Company based on the estimated aggregate liability for both known and incurred but not reported claims.

(10) Calculation of Per Share Amounts

Loss per share calculations for all periods are based upon the weighted average number of common shares outstanding adjusted to give effect to 239,760 common shares subject to stock options at exercise prices of $1.00 per share or less.

(11) In February 1992, the Company acquired substantially all of the assets of its only two previously franchised retail stores for a total purchase price of $730,000, consisting of cash and a $590,000 three-year obligation bearing interest at 7½%. In connection with the acquisition, assets acquired and liabilities assumed were as follows:

Fair value of assets acquired:	$799,000
Less: Cash paid	140,000
Liabilities assumed including note payable issued	$639,000

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SEASONALITY AND QUARTERLY FLUCTUATIONS

The Company's business exhibits substantial seasonality which the Company believes is typical of the swimming pool supply industry. In general, sales and net income are highest during the second and third fiscal quarters which represent the peak months of swimming pool use. Sales are substantially lower during the first and fourth quarters when the Company will typically incur net losses. The principal external factor affecting the Company's business is weather. Hot weather and the higher frequency of pool usage in such weather create a need for more pool chemicals and supplies. Unseasonably early or late warming trends can increase or decrease the length of the pool season. In addition, unseasonably cool weather and/or extraordinary amounts of rainfall in the peak season decrease swimming pool use.

The Company expects that its quarterly results of operations will fluctuate depending on the timing and amount of revenue contributed by new stores and, to a lesser degree, the timing of costs associated with the opening of new stores. The Company attempts to open its new stores primarily in the first quarter in order to position itself for the following peak season.

RESULTS OF OPERATIONS

Overview

Leslie's Poolmart is the leading national specialty retailer of swimming pool supplies and related products. At March 31, 1992, the Company marketed its product through 125 Company-owned retail stores in 26 states and through a nation-wide mail order catalog. Leslie's is vertically integrated and operates a chemical repackaging facility in Los Angeles, California, a plastics manufacturing facility in Chatsworth, California, and supplies its retail stores from two distribution facilities located in Chatsworth, California, and Dallas, Texas.

The Company historically incurs a net loss in its first quarter. For the quarter ended March 31, 1992, sales increased 1.4% to $10,443,000, up from $10,296,000 last year. The net loss for the quarter ended March 31, 1992 was $2,782,000 or $.48 per share, compared to $2,726,000 or $.72 in the same period last year. The weighted average shares outstanding for the current period were approximately 2,000,000 shares higher than the same period last year as a result of the Company's initial public offering in April, 1991.

1992 compared to 1991:

	Sales (In thousands) 1992	1991
Retail stores	$ 9,285	$ 8,737
Mail order catalog	722	903
Other	436	656
	$10,443	$10,296

Retail store sales increased 6.3% to $9,285,000 in 1992 from $8,737,000 in 1991 due to an increase in the total number of stores in operation from 91 at March 31, 1991 to 125 at March 31, 1992. Comparable store sales declined 7.0% in the current period principally as a result of generally poor spring weather, including heavy rainfall in the Western and South Central regions and considerably lower temperatures in the Midwest and Northeast areas compared to the same period in 1991. Catalog sales for the quarter ended March 31, 1992 were $722,000, a decrease of 20% from $903,000 for the prior year. The decline in mail order sales in the first quarter of 1992 results from a somewhat later mailing of the Company's spring mail order catalog and the severe weather experienced in historically productive mail order areas in the country. Small dollar differences in mail order sales (1991 annual mail order sales were $9,206,000) in the first quarter are not usually significant since the first quarter historically represents only 9% to 11% of total annual mail order sales. Similarly, retail sales in the first quarter historically represents only 12% of annual retail sales.

Other revenue, consisting mostly of service department and franchisee sales in 1991, decreased $220,000 because of the acquisition of the franchisee stores (Note 11) in February 1992 and the unusually heavy rainfall in Southern California and Texas which kept the Company's service technicians out of the field much of the quarter.

Gross profit was $3,508,000, or 33.6% of sales, for the quarter ended March 31, 1992 as compared to $3,383,000, or 32.9% of sales, for the quarter ended March 31, 1991. The increase in gross profit margin was primarily due to lower advertising markdowns taken in the first quarter of 1992 compared with 1991 resulting in higher overall product margins. Higher product margins were offset for the most part by higher store occupancy costs as a percentage of sales due to the significant number of new stores opened or acquired in the first quarter of 1992. Gross profit margins are usually lower for the first three months of the year compared to the year as a whole due to product sales mix plus the absorption of relatively fixed manufacturing and occupancy costs over lower seasonal sales volumes. Since sales for new stores are initially lower than average, occupancy costs for these new stores may temporarily impact gross margin for periods following the opening of a large number of new stores.

Selling, general and administrative expenses increased in 1992 primarily as a result of increased wages and advertising expenses associated with the opening of 21 new stores during the period compared with eight stores opened in the same period in 1991 and our expansion into the commercial side of the swimming pool supply business. Because of the seasonality of the Company's business, with approximately three-fourths of its revenue occurring in the second and third quarters of the year, relatively fixed selling, general and administrative expenses are a much higher percentage of sales in the first quarter than for the year as a whole.

Interest expense declined $553,000 to $212,000 in 1992 compared to $765,000 in 1991 principally due to the repayment of substantially all of the Company's long-term debt from the proceeds of its initial public offering in April 1991 and to lower interest rates.

Amortization of acquisition costs, which represents the amortization of covenants not to compete and goodwill, was lower in 1992 than the comparable period in 1991 as a result of the covenant termination discussed below. This amortization is expected to be approximately $150,000 per quarter through the fourth quarter of 1993, at which time the remaining covenant will be fully amortized.

In conjunction with the Company's initial public offering, one of the former owners of the Company agreed to terminate his consulting and covenant not to compete arrangements in consideration of the issuance to him and his former spouse of the Company's 7½% convertible notes in the aggregate principal amount of $2,767,000. The notes are convertible into shares of the Company's common stock at $13.20 per share and are due and payable on December 31, 1993.

The Company's net loss in the first quarter of 1992 increased to $2,782,000 compared to $2,726,000 in the first quarter of 1991. The increased loss is principally attributable to an increase in selling, general and administrative expenses, offset by a slightly higher gross profit margin and decreased interest and amortization expense.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Changes in Financial Condition

Between December 31, 1991 and March 31, 1992, total current assets increased $12,424,000 from $16,323,000 to $28,747,000. The principal component of this variance was inventory, which increased $10,465,000 from $14,815,000. The inventory increase is consistent with the first quarter of prior years and relates to the build-up in preparation for

the peak selling season during the second and third quarters and to the inventory requirements of new stores. The increase in current assets also includes a deferred income tax charge of $1,855,000 resulting from the recording of tax benefits related to interim losses which are expected to reverse in the second and third quarters. This deferred tax charge is not an asset that will be realized as a refund; it will be offset by a tax provision in the second and third quarters.

Total current liabilities increased $17,762,000 between December 31, 1991 and March 31, 1992. The increase is due principally to a $14,202,000 increase in accounts payable and accrued liabilities from $6,497,000 to $20,699,000 resulting from trade payables for the inventory increase referred to above and favorable dating terms extended by vendors. Additionally, consistent with prior first quarters, line of credit borrowings increased $3,416,000 from $3,300,000 to $6,716,000 as a result of financing requirements for the quarter and the expenses incurred in connection with the Company's expansion through the opening or acquisition of additional stores.

Liquidity and Capital Resources

For the quarter ended March 31, 1992, net cash used in operating activities was $648,000 compared with $1,240,000 in the first quarter of the prior year. For the quarter ended March 31, 1992, cash used by investing activities was $2,787,000 compared with cash used of $898,000 in the first quarter of the prior year. This increase was primarily the result of greater capital expenditures associated with the opening, or preparation for opening, of a total of 26 new stores in 1992 as compared with a total of 19 new stores in 1991 and the acquisition described in Note 11. Cash provided by financing activities increased to $3,402,000 compared with $2,140,000 in the first quarter of 1991 and relates primarily to higher borrowings during the period.

The Company's line of credit facility provides for borrowings of up to $7,000,000. An over-advance commitment of $750,000 beyond this stated limit has been obtained for the period between February 1 and June 30, 1992. Interest accrues at ½% over the lender's reference rate (6.5% at March 31, 1992) and matures on October 1, 1993.

The Company believes that its internally generated funds, as well as its borrowing capacity, are adequate to meet its working capital needs and capital expenditure requirements, including those relating to the opening of new stores.

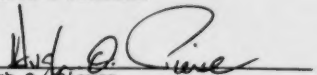
PART II. OTHER INFORMATION

No items contained in this part are applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LESLIE'S POOLMART



Date: May 6, 1992

Hugh O. Pierce
Executive Vice President and
Chief Financial Officer